

Message Text

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PAGE 01 STATE 091984

12

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FM SECSTATE WASHDC

TO AMEMBASSY REYKJAVIK

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E.O. 11652: GDS

TAGS: MASS, IC

SUBJECT: AIRCRAFT FOR ICELANDIC COAST GUARD

REFERENCE: REYKJAVIK 584 AND 1325

JOINT STATE-DEFENSE MESSAGE

1. THIS MESSAGE REVIEWS THE CONSIDERATION WHICH HAS BEEN GIVEN WITHIN USG TO PROVISION OF LIGHT AIRCRAFT TO ICELANDIC COAST GUARD FOR ENHANCEMENT OF ITS INSHORE PATROL CAPABILITY, AND SETS FORTH PROPOSED ACTION WHICH SHOULD BE TAKEN IN NEAR FUTURE, UNDER NEW PROCEDURES ESTABLISHED AT THIRD ROUND OF BASE NEGOTIATIONS IN WASHINGTON LAST MONTH.

CONFIDENTIAL

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PAGE 02 STATE 091984

PART I, BACKGROUND

2. SETTLEMENT OF FISHERIES DISPUTE WITH UK LAST FALL MADE IT POSSIBLE FOR USG TO CONSIDER POSSIBILITY OF PROVIDING ASSISTANCE TO ICELANDIC COAST GUARD. TAKING INTO ACCOUNT SEVERAL INFORMAL SUGGESTIONS TO THIS EFFECT FROM ICELANDIC COAST GUARD COMMANDANT PETUR SIGURDSSON, AND APPARENT FOREIGN MINISTRY INTEREST IN FMS PURCHASES AS REPORTED REFTEL B, WASHINGTON INTERAGENCY BACKSTOPPING GROUP FOR ICELAND BASE NEGOTIATIONS EXAMINED AIRCRAFT AVAILABLE FROM US SOURCES WHICH MIGHT FULFILL ICELANDIC COAST GUARD REQUIREMENTS. OUR CONCLUSION WAS THAT INSHORE PATROL CAPABILITY COULD BEST BE ATTAINED THROUGH ESTABLISHMENT OF AN ICELANDIC COASTAL PATROL SQUADRON, EQUIPPED WITH SUITABLE LIGHT AIRCRAFT AND COMMUNICATIONS GEAR.

3. A. SUCH A PATROL SQUADRON COULD BE BUILT AROUND FOUR U-21F (A-100) BEECHCRAFT KING AIR AIRCRAFT, MANNED BY SOME 40 PERSONNEL. THIS WOULD PROVIDE SURVEILLANCE OF MANY AREAS OF ICELANDIC COAST, PARTICULARLY IN CRITICAL NORTHEAST, AND IN NORTHWEST. THE U-21F (A-100) IS AVAILABLE FROM CURRENT PRODUCTION AT \$525,000 TO \$550,000 EACH, WITH ESTIMATED DELIVERY TIME OF 6-8 MONTHS. FOUR OF THESE TURBO-PROP AIRCRAFT, TOGETHER WITH GROUND SUPPORT EQUIPMENT WOULD BRING INITIAL EQUIPMENT COSTS TO APPROXIMATELY \$2.344 MILLION. OPERATING COSTS ARE ESTIMATED AT BETWEEN \$75 - \$85 PER HOUR.

B. THESE U-21F ARE ONLY ILLUSTRATIVE OF US COMMERCIAL AIRCRAFT WHICH MIGHT SERVE ICELANDIC PURPOSES. ADDITIONAL DISCUSSIONS WITH GOI TO REFINE THEIR COAST GUARD REQUIREMENTS MIGHT WELL RESULT IN THE SELECTION OF SOME OTHER AIRCRAFT BETTER SUITED TO THEIR NEEDS.

4. DESPITE INTIMATION OF ICELANDIC INTEREST NOTED IN REFTEL 0, SUBJECT WAS NOT RAISED BY GOI IN EITHER SECOND OR THIRD ROUND OF BASE NEGOTIATIONS. HOWEVER, US COAST GUARD REPRESENTATIVES HERE WERE ADVISED LAST MONTH THAT COMICEDEFOR HAD BEEN APPROACHED BY SIGURDSON, WHO WAS REPORTED TO BE IN "TICKLISH NEGOTIATIONS" REGARDING SELECTION OF MEDIUM RANGE SEARCH AIRCRAFT FOR ICELANDIC COAST

CONFIDENTIAL

PAGE 03 STATE 091984

GUARD. SIGURDSSON APPARENTLY DESIRED TO BENEFIT FROM USCG EXPERIENCE FOR HIS OWN SELECTION PROCESS.

5. MEDIUM RANGE SEARCH AIRCRAFT SELECTED BY USCG IS NORTH AMERICAN ROCKWELL INTERNATIONAL HT-39H, EQUIPPED WITH GARRETT ENGINE. THESE JET AIRCRAFT, BEING PROCURED THROUGH NAVY SOURCES, WILL BE EQUIPPED WITH HIGHLY SOPHISTICATED EQUIPMENT WHICH COULD RAISE THEIR ACQUISITION COST TO

ROUGHLY \$2.5 MILLION EACH. HOWEVER, INCLUSION OF SUCH EQUIPMENT WOULD NOT BE NECESSARY FOR MORE LIMITED ICELANDIC PURPOSES.

6. AT PRESENT TIME, NO MEDIUM RANGE SEARCH AIRCRAFT ARE AVAILABLE FROM ACTIVE INVENTORY OR EXCESS STOCKS OF EITHER DOD OR US COAST GUARD TO MEET ICELANDIC REQUIREMENTS. CURRENTLY, TWO BASIC METHODS OF PROCUREMENT ARE AVAILABLE TO GOI:

A. FMS CASH PURCHASES UNDER PROVISIONS OF 1954 AGREEMENT CITED REFTEL B. THIS WOULD ENABLE GOI TO MAKE USE OF DOD'S PROCUREMENT EXPERTISE, SINCE USG WOULD DEAL WITH US MANUFACTURING FIRMS AND THEN SELL TO GOI.

B. DIRECT PURCHASE BY GOI FROM US MANUFACTURERS, WITH LATTE PROVIDING FOLLOW-ON SUPPORT AS REQUIRED.

PART II: PROPOSED COURSE OF ACTION

7. REGARDLESS OF CURRENT ICELANDIC POLITICAL DEVELOPMENTS, US HAS A LONGTERM STAKE IN SUPPORTING ICELANDIC COAST GUARD AS A NON-POLITICAL ENTITY AND GOI'S NEAREST EQUIVALENT TO HAVING ITS OWN DEFENSE FORCE.

ENHANCEMENT OF ICELANDIC COAST GUARD CAPABILITIES SHOULD ALSO LEAD TO EVEN CLOSER ASSOCIATION AND COOPERATION BETWEEN IT AND IDF. ACCORDINGLY, WE SHOULD BE PREPARED TO PROVIDE ANY APPROPRIATE TECHNICAL ADVICE AND ASSISTANCE TO ICELANDIC COAST GUARD, UTILIZING ALL AVAILABLE US RESOURCES FOR THIS PURPOSE.

8. WE BELIEVE INITIATIVE SHOULD NOW BE TAKEN, UNDER NEW
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PAGE 04 STATE 091984

PROCEDURAL ARRANGEMENTS AGREED UPON AT THIRD ROUND OF TALKS AND CONFIRMED BY PARA 3 REFTEL A, TO PROVIDE TO ICELANDIC COAST GUARD US VIEWS REGARDING INSHORE PATROL AIRCRAFT, DRAWING ON PARAS 3, 5 AND 6 ABOVE. EMBASSY AND COMICEDEFOR ARE THEREFORE AUTHORIZED TO PROCEED ACCORDINGLY, WITH TIMING AT AMBASSADOR'S DISCRETION. WE WOULD APPRECIATE BEING KEPT CURRENTLY ADVISED OF ANY DISCUSSIONS BETWEEN ICELANDIC COAST GUARD AND EMBASSY OR COMICEDEFOR REPRESENTATIVES. IN ADDITION, ALL WASHINGTON AGENCIES STAND READY TO RESPOND TO ANY REASONABLE ICELANDIC REQUEST FOR FURTHER INFORMATION OR ADVICE. RUSH

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